that is holding upto 5000 units are entitled to a repurchase price of Rs. 12/- per unit as on 1st May, 2003; and

(c) if reply to parts (a) & (b) above is in the affirmative, what consideration would be given by UTI to the unit holders of 'A' category for one month of May, 2003, in case they opt for tax-free bonds?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) Yes, Sir.

(b) and (c) The assured repurchase price of Rs. 12/- per unit is for units upto 5000, which the investor can receive in cash or through bonds.

Implementation of VAT in Delhi

3294. DR. AKHILESH DAS: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Delhi Government has recommended that the Value Added Tax (VAT) System should not be implemented in Delhi without certain amendments to ensure that it does not destroy the capital city's distributive trading character; and

(b) if so, what specific amendments have been proposed and what shall be the modified form of VAT to be implemented in the capital?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN): (a) The Government of India has received no such proposal from the Government of NCT of Delhi.

(b) Does not arise.

Fiscal deficit of States

3295. DR. ARUN KUMAR SARMA: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the extent of total Fiscal deficit of the States as well as the Centre during the last five years in per cent of GDP and how these gaps are managed;

(b) the State-wise revenue deficit in the said period;

(c) the steps taken and proposed to be taken by Union Government to mitigate this recurring problem in the interest of overall growth of the country; and

(d) the details of specific guidelines given to the 12th Finance Commission, if any, in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) The gross fiscal deficit of the Centre and the State Governments as per cent of GDP during the last five years is given below:

per cent

Years	GFD of Centre	GFD of States	Combined GFD
2002-03	5.9 (RE)	4.2 (BE)	9.3 (BE)
2001-02	6.1	4.6 (RE)	10.0 (RE)
2000-01	5.6	4.3	9.5
1999-2000	5.4	4.7	9.5
1998-99	5.1	4.3	9.0

While the fiscal deficit of the Centre is financed through draw down on cash balances, market borrowings, external finance and through other borrowings, those at the state level are financed through net borrowings from the Centre, net market borrowings and borrowings from banks and financial institutions.

(b) A statement is enclosed (*See* below).

(c) The policy measures proposed in the Union Budget 2003-04 underscore the Central Government's commitment to totally eliminate budgetary shortfalls, achieve fiscal consolidation through revenue enhancement under modern tax administration and expenditure rationalisation. The expenditure management focuses on better cash management and debt restructuring, taking advantage of comfortable foreign exchange reserves and lower domestic interest rates.

In order to supplement the efforts of the State Governments towards fiscal consolidation, Govt. of India, has created 'States' Fiscal Reforms Facility 2000-01 to 2004-05', for incentivising them to undertake fiscal reforms to improve their finances in the Medium Term. Besides, Government of India has also put forward a scheme for debt swap to enable the States to retire their high cost borrowings.

(d) The Twelfth Finance Commission has been mandated, *inter alia*, to review the State of finances of the Union and the States and suggest a plan by which the Governments, collectively and severally, may bring about a restructuring of the public finances, restoring budgetary balance, achieving macroeconomic stability and debt reduction along with equitable growth.

Statement

Revenue Surplus/Deficits of States

(*Rupees in crore*)

States	1998-99	1999-2000	2000-01	2001-02 (R.E)	2002-003 (B.E.)
1. Andhra Pradesh	-2,684.1	-1,233.3	-3,595.1	-2,992.9	-2,481.8
2. Arunachal Pradesh	177.1	199.0	51.9	223.6	220.5
3. Assam	90.2	-1,004.7	-779.5	-2,206.8	-777.4
4. Bihar	-1,350.5	-3,549.7	-2,960.7	-2,341.9	-1,517.6
5. Chhattisgarh	–	–	271.1	-366.6	-495.5
6. Goa	-140.8	-208.9	-226.0	-130.8	-88.6
7. Gujarat	-2,863.4	-3,616.8	-6,302.2	-8,325.3	-5,815.9
8. Haryana	-1,540.2	-1,185.3	-607.5	-1,170.5	-1,056.2
9. Himachal Pradesh	-1,022.3	-106.3	-1,330.6	-831.3	-1,186.1
10. Jammu & Kashmir	-400.2	-541.6	-1,258.6	735.5	77.0
11. Jharkhand	–	–	–	100.5	21.9
12. Karnataka	-1,215.2	-2,325.3	-1,862.2	-3,006.2	-2,605.2
13. Kerala	-2,030.0	-3,624.2	-3,147.1	-1,886.4	-1,916.8
14. Madhya Pradesh	-2,871.8	-2,932.3	-1,319.3	-3,698.7	6.1
15. Maharashtra	-3,925.9	-4,268.8	-7,834.0	-6,224.8	-4,401.7
16. Manipur	108.1	-287.1	-86.3	-9.6	-42.7
17. Meghalaya	17.3	15.9	52.7	2.0	67.6
18. Mizoram	44.1	59.3	-193.4	-41.2	15.9
19. Nagaland	-13.4	-36.3	-0.4	44.9	89.6
20. Orissa	-2,264.8	-2,573.9	-1,926.8	-2,114.3	-1,754.8
21. Punjab	-2,628.7	-2,727.4	-2,336.0	-3,842.0	-3,017.6
22. Rajasthan	-2,996.3	-3,639.9	-2,633.6	-3,510.0	-3,851.9
23. Sikkim	-54.9	1.8	99.3	210.3	230.8
24. Tamil Nadu	-3,436.6	4,400.3	-3,435.8	-3,432.4	-5,543.2
25. Tripura	92.7	-22.6	-96.0	1.1	95.8
26. Uttaranchal	—	—	10.6	-1,344.8	-1,567.2
27. Uttar Pradesh	-8,696.2	-7,252.6	-6,289.3	-7,756.8	-5,275.6
28. West Bengal	-4,856.2	-9,287.3	-7,581.3	-7,985.5	-7,791.5
29. NCT Delhi	820.0	751.3	1,747.5	1,380.8	2,139.2

Source: Report of RBI on State Finances—various issues.